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Progress on the replacement of office blocks A–J at the United Nations Office at Nairobi

Report of the Secretary-General

Summary

The present progress report highlights the steps taken following the issuance of the report of the Secretary-General on the implementation of the project for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/375) and the subsequent approval of the General Assembly in resolution 72/262 A to initiate the project. The project was one of the near-term major construction projects identified in the report of the Secretary-General on the strategic capital review (A/72/393) and in preceding reports (A/70/697) and (A/69/760).

The present report provides an update on the progress made and information on the refinement of the project proposal. In summary, the new project proposal would entail a "right-sized" building development that replaces office blocks A–J and includes the implementation of flexible workspace strategies at all remaining office blocks located at the Gigiri complex. This approach would ensure that the future space needs of the United Nations Office at Nairobi and all other United Nations tenants located in Gigiri are met and would potentially allow additional United Nations specialized agencies, funds and programmes to join the secure Gigiri complex.

The estimated total project cost of $69.88 million, as indicated in the previous report of the Secretary-General, has been reduced in the present report by 5.2 per cent to a revised maximum overall project cost of $66.26 million. This is due to the refinement of the project implementation plan, which now considers the reuse of the existing publishing services building instead of the construction of a separate service block as proposed in the previous report. This refined approach presents several additional advantages, including the avoidance of temporary swing space, and an accelerated construction schedule that results in reduced overall escalation costs. It also poses a lower risk to the Organization than the previous proposal and provides the additional benefits of reduced energy consumption and increased space utilization.

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It is recommended that the General Assembly approve the proposed scope, the revised lower maximum overall cost and the related implementation strategy for the project, approve the establishment of seven positions (1 P-5, 2 P-3, 2 National Officer and 2 Local level) for dedicated project management, support and coordination, appropriate an amount of $6,595,000 for the project for 2019 and approve the establishment of a multi-year construction-in-progress account for the project.

I. Background

1. Nairobi became one of the United Nations Headquarters duty stations following the establishment of the United Nations Environment Programme (UNEP) in 1972, with its headquarters in Nairobi. Initially, UNEP was based in the Kenyatta International Conference Centre in the city centre, but in 1975 the Government of Kenya donated a plot of 100 acres in Gigiri, and the original seven office blocks (A–G) were built as temporary office accommodation for the UNEP secretariat. These blocks, albeit later reinforced, are still being used as offices for United Nations agencies, funds and programmes.

2. The United Nations Human Settlements Programme (UN-Habitat) was established in 1978 and joined UNEP at the Gigiri complex. The complex continued to grow, and the Government donated an additional two plots, increasing the total area to 140 acres. In the period from 1983 to 1985, a conference centre and six additional office blocks (M, N, P, R, S and T) were constructed to accommodate UNEP and UN-Habitat. In the early 1990s, an additional five office blocks (Q, U, V, W and X) were constructed. In 1996, the United Nations Office at Nairobi was created as a central administrative function, merging the administrative functions of both UNEP and UN-Habitat. The Office has responsibility for the maintenance and upkeep of the Gigiri complex.

3. With the expansion of the United Nations presence in Nairobi, and in order to accommodate all United Nations funds, programmes and agencies, the new office facilities were successfully constructed on time and within the approved budget in 2010.

II. Project objectives, benefits and the refined approach

4. As detailed in the previous report of the Secretary-General on the proposal for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/375), the Office completed the assessment of the condition of the buildings and infrastructure of the Gigiri complex in 2014, the findings of which were included in the report of the Secretary-General on the strategic capital review (A/70/697). That report identified various upgrades that were required to the site-wide infrastructure and buildings, including upgrades to the road network, power, water and waste management, as well as upgrades and improvements to the conference facilities and the replacement of the old office blocks A–J.

5. Office blocks A–J, on the Gigiri complex, were constructed in the late 1970s as semi-permanent buildings, initially intended as temporary accommodation. They comprise office space, medical and security functions, warehousing, contractors' workshops, a canteen and other operational facilities. They are approaching the end of their design life and, despite certain interior upgrades over the years, the buildings do not comply with prevailing codes, namely, across the following areas: (a) industrial health and safety compliance; (b) seismic code compliance; (c) hazardous materials; (d) accessibility; (e) energy efficiency/sustainability; and (f) space utilization.

6. Office blocks A–J do not meet current United Nations security requirements. In addition, the roofs are sagging, portions of the fabric are suffering from prolonged exposure to damp and the wiring reticulation presents a risk of fire. The buildings are not universally accessible, have problematic floorplate geometry, which precludes flexible furniture layouts and, owing to their structural properties, are at risk of severe damage in a seismic event. The strategic capital review determined that further investment in major maintenance of these buildings would in time cost more than their full replacement, as they have gone beyond their useful life.

7. There are also numerous prefabricated timber buildings on site, originally constructed as swing space but now serving as temporary office space, as well as temporary offices that have been constructed above the east and west conference rooms and by partitioning off portions of the main concourse.

8. The United Nations Office at Nairobi faces constant requests to provide additional office space to current tenants wanting to expand their operations, as well as agencies, funds and programmes wishing to move their operations to the Gigiri complex.

9. The existing blocks A–J currently provide office space to a number of offices of the United Nations Office at Nairobi, namely, the security facilities and medical services. In addition, they also provide office space to several agencies, funds and programmes, namely, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Some of these agencies, funds and programmes have occupied space at the Gigiri complex for several decades, and through their rental payments have contributed significantly to the complex. The Office has a duty of care to the agencies, funds and programmes that are paying commercial-level rent and must ensure that the buildings are safe and fully compliant with all required security, information technology and life-safety standards, as is the case at any other United Nations duty station. Office blocks A–J no longer comply with current standards and pose serious life-safety threats in the case of a major seismic event. If blocks A–J were to be demolished without replacement, the Office would not be able to provide secure office space to the agencies, funds and programmes currently hosted in those blocks, and over $1 million in annual rental income to the Secretariat would be lost.

10. The refined proposal in the present report considers the replacement of: (a) existing office blocks A–J; (b) all temporary prefabricated office structures; and (c) the temporary office premises and other facilities mentioned in paragraph 7 above. The new office buildings described in the present report would be used as office space only for entities of the United Nations Office at Nairobi and other Secretariat entities. In addition, the refined proposal set out in the present report proposes the repurposing of the existing publishing services building and the consolidation of all service functions of the Office into the renovated publishing services building, which would be redesigned to fully support and accommodate the Office's secretariat functions, including: the provision of purpose-built facilities and infrastructure required for security (primary security control room); information technology (primary data centre); upgraded medical facilities; catering; consolidated warehousing; and transport and vehicle facilities, including workshops, maintenance and parking. The new office space established within the repurposed publishing services building and within the new office buildings would be constructed taking into account that flexible workspace strategies would consolidate the current footprint of the Secretariat tenants, allowing for extra office space to be made available to other United Nations tenants.

Possible impact of ongoing business transformational initiatives

11. Given that the Organization is currently in the process of developing and implementing business transformation initiatives, it is possible that the reforms may have an impact on future space requirements at the Gigiri complex. Accordingly, the project proposal is aimed at providing the maximum level of future flexibility in campus configuration and capacity. The Secretary-General considers that "right-sizing" of any new construction, meaning the ability to modify the total built area of the new construction and the ability to make more efficient and flexible use of the existing buildings in the future, is paramount to the success of the project in addressing future requirements. Foremost, however, are the current life-safety

deficiencies in blocks A–J which must be addressed, irrespective of future developments at the complex.

12. The proposal at this stage does not take into account or attempt to predetermine the outcome of the global service delivery model. The key objectives of the present report are to address the current life-safety deficiencies highlighted above. However, as indicated above, the refined proposal is flexible with respect to future changes that could lead to an increase or decrease in the demand for office space at the United Nations Office at Nairobi. Although the present report does not take into account the global service delivery model, it can be assumed that the possible impacts of the global service delivery model would be either an increase in the need for space (if Nairobi were to be selected as one of the future global service centres) or a decrease in the need for space (if Nairobi were not to be selected as one of the future global service centres and some current administrative functions were to move to an alternate location). The report of the Secretary-General to the General Assembly on the global service delivery model for the United Nations Secretariat (A/72/801/Add.1/Rev.1) contains the option of moving certain shared service functions to Nairobi. However, the General Assembly, in resolution 72/262 C, requested the Secretary-General to submit a new proposal for the global service delivery model no later than the first resumed part of its seventy-third session.

13. In this regard, the design for the new building is modular, as the same design process would allow for the building of one, two, three or four office blocks. The current proposal is to build two office blocks. Following the outcome of the global service delivery model, if there is a need to reduce space, the project could simply be adjusted for the building of only one block; similarly, if there was a need to increase space, the project could simply be adjusted for the building of three or four blocks. The present report indicates the design and tender phase for construction in 2020, with construction scheduled from 2021 to 2022. There would be flexibility until the end of 2020 to reduce the scope of construction (e.g., from two buildings to one) at no cost, and there would similarly be flexibility to increase the scope (e.g., from two buildings to three).

14. Given that the current life-safety deficiencies in blocks A–J must be addressed and that the buildings will be demolished, there is a need to build some replacement space, over and above what could be achieved through better space utilization over the rest of the compound. It is therefore required to proceed with the design of a new building of between one and two blocks in size irrespective of any future developments but, as explained above, this project proposal is scalable and flexible, allowing the United Nations Office at Nairobi to take into account any possible impact of ongoing business transformation initiatives.

Space utilization study

15. As detailed in the previous report of the Secretary-General, to better understand requirements, a space utilization study was carried out within the Gigiri complex in 2017. The study concluded that the average desk utilization was 44 per cent throughout the day, clearly demonstrating the potential to increase occupancy density. On the basis of guidance from the Office of Central Support Services and experience of best practice applied to other flexible workplace projects, such as in the Secretariat Building in New York, possible flexible working floor plans were prepared for each typical floor type at the United Nations Office at Nairobi (new office facilities and blocks M–U and V–X).

16. It was therefore estimated that better utilization could be achieved within the above-mentioned office blocks (with a current capacity of approximately 2,600 workstations) if a fully flexible workplace environment were to be introduced. The

potential increase in utilization capacity has been estimated to be between 3,100 to 3,500 workstations for these blocks. However, given the estimated future requirements of approximately 4,000 workstations (compared with approximately 3,600 workstations at present), there would still be a capacity deficit of between approximately 500 and 900 workstations in these buildings.

17. Even with the introduction of full flexible workplace strategies to all remaining blocks on the campus, a new office building would still be required by 2022 to address the above deficit. Assuming that the new building would also have an improved flexible workplace density of approximately 14 m^2 gross external space per workstation, this would require a new office building of between 7,000 and 12,600 m^2.

18. As detailed in the previous report of the Secretary-General, there are two major known challenges with regard to implementing flexible workplace strategies at the Gigiri complex in Nairobi, namely, (a) the "assumed ownership" of space by existing tenants, i.e., that the United Nations Office at Nairobi would likely face challenges by Secretariat tenants when applying flexible workplace strategies, including by setting target efficiency gains; and (b) the treatment of non-Secretariat tenants, in particular with respect to the investment that would be required by such tenants in information technology equipment and furniture, which is not included in this proposal.

Benefits and refinement of the proposal, including the redesign of the existing publishing services building

19. In order to address the deficiencies highlighted in the condition assessment outlined above, in the previous report of the Secretary-General, several options were considered, and option 2 (new small office buildings and service buildings with flexible workplace strategies) was considered the most viable option for replacing office blocks A–J, offering the highest benefits. With expected project costs totalling $69.88 million, this was the least expensive of the options considered, achieved the best score with regard to inherent implementation risks, also obtained the best score with regard to the expected benefits and addressed in the most cost-effective manner issues regarding sustainable building performance, energy efficiency, the efficient use of office space and the replacement of building systems that will have reached the end of their useful lives. Most importantly, this option would also ensure safety and compliance with all required security, information technology and life-safety standards, to fully address the deficiencies identified through the condition assessment.

20. Following the request by the General Assembly to refine the proposal, the United Nations Office at Nairobi has looked into the option of initiating early works on potential repurposing of the existing publishing services building, including the reuse of printing space as office space and the construction of an additional mezzanine floor to be used also as office space. This could then be used as an alternative new service building to house the data centre, security control room, catering, medical, contractors, security locker rooms, drivers' lounge and logistics facilities. This would be a significant refinement as compared with the original proposal as set out in the previous report of the Secretary-General, whereby a new service building was planned. The refined proposal would eliminate the need for a new service building and eliminate the temporary swing space requirement, as the renovated publishing services building would provide new office space earlier than previously expected, and could therefore be used as swing space to support the conversion to a flexible working environment of all existing office space (blocks M–X and new office facilities) and swing space, once existing office blocks A–J are vacated in preparation for the building of a new office block. An additional advantage of this refined proposal would therefore be the avoidance of abortive work and the acceleration of construction, which would reduce the cost of escalation.

21. The combination of the above leads to a refined project cost of $66.26 million, reflecting a 5.2 per cent reduction, or $3.62 million, compared with the original cost estimate of $69.88 million as contained in the previous report of the Secretary-General. The progress made on this phase of planning works is outlined in section V of the present report, including a revised schedule for completion of the project at the end of 2023. A detailed breakdown of the total estimated costs of the project is provided in annex I to the present report.

III. Project governance

22. The project governance structure was initially proposed in the previous report of the Secretary-General (see A/72/375, annex II), and remains unchanged in the present report. The project owner is the Director-General of the United Nations Office at Nairobi; the Director of the Division of Administrative Services serves as the project executive and is responsible for managing the dedicated project management team and interacting with internal and external stakeholders, along with strategic issues requiring senior-level decision-making.

23. The stakeholders committee, chaired by the project executive, held its first meeting on 10 July 2018, attended by representatives from United Nations Office at Nairobi Support Services, Information and Communication Technology Services, Security and Safety Services, the Division of Conference Services, and the Joint Medical Service; UNEP; and UN-Habitat as major tenant advisers, and the Office of Central Support Services in New York as ex officio adviser.

24. Members of the stakeholders committee acknowledged their individual roles in providing key substantive input towards establishing the scope and design objectives of the project, with emphasis on individual roles in owning and managing certain risk items.

A. Office of Central Support Services

25. The role of the Office of Central Support Services, in line with its role on other global capital projects undertaken by the Organization, was defined in the previous report of the Secretary-General and has remained unchanged during the reporting period.

26. Representatives from the Global Property Management Service of the Office of Central Support Services hold regular bimonthly coordination meetings with the United Nations Office at Nairobi project team, and conducted two missions to Nairobi in 2018. The Service provides oversight of the project and technical guidance and advice to the project team, shares lessons learned from other capital projects and ensures that applicable global property-related policies are adhered to in the activities undertaken by the team. During the reporting period, emphasis was placed by the Office of Central Support Services on the provision of independent risk management services, in line with section XIV of General Assembly resolution 72/262 A.

27. To this effect, the Office of Central Support Services completed the recruitment of an independent risk management firm, a well-established international firm with global construction and other financial experience, to support the Office of Central Support Services in fulfilling its project role. The firm was onboarded as of October 2017 to work on the already approved projects at the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP); hence, it was able to begin work immediately on the United Nations Office at Nairobi project in 2018. An additional benefit to the project, and in line with the

request of the General Assembly to ensure that local knowledge and lessons learned are applied to the project, is that the firm is servicing both the ECA and United Nations Office at Nairobi projects out of its Nairobi office. Detailed information on the activities of the Office of Central Support Services with respect to risk management is provided in section IV of the present report.

B. Dedicated project team

28. Following the approval by the General Assembly of two dedicated project positions (one P-4 Space Planner/Coordinator and one P-3 Structural/Civil Engineer) in its resolution 72/262, the management of the United Nations Office at Nairobi commenced recruitment for these positions in early 2018 and the process is well advanced, as further detailed in paragraph 48 of the present report.

IV. Project accountability

29. In line with established practice for other ongoing projects currently undertaken by the Organization, including the renovation of the Africa Hall at ECA in Addis Ababa and the seismic mitigation retrofit and life-cycle replacements of the Secretariat building at ESCAP in Bangkok, the project will be subject to both internal and external oversight through the Office of Internal Oversight Services and the Board of Auditors, respectively.

Risk management

30. In line with what has become, effective as of 2017, standard practice for ongoing global capital projects, the Office of Central Support Services has, in consultation with the United Nations Office at Nairobi project team, established a risk management strategy for the project. The strategy achieves the following: (a) establishes processes and procedures for the identification and assessment of risks and prioritizes them in accordance with their evaluation; (b) once identified, facilitates planning for the implementation of risk responses that ensure successful delivery of the expected project objectives; and (c) in line with the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 28 of its report on the proposal (A/72/7/Add.28), the strategy enables the Organization to assess and manage a risk-based contingency provision.

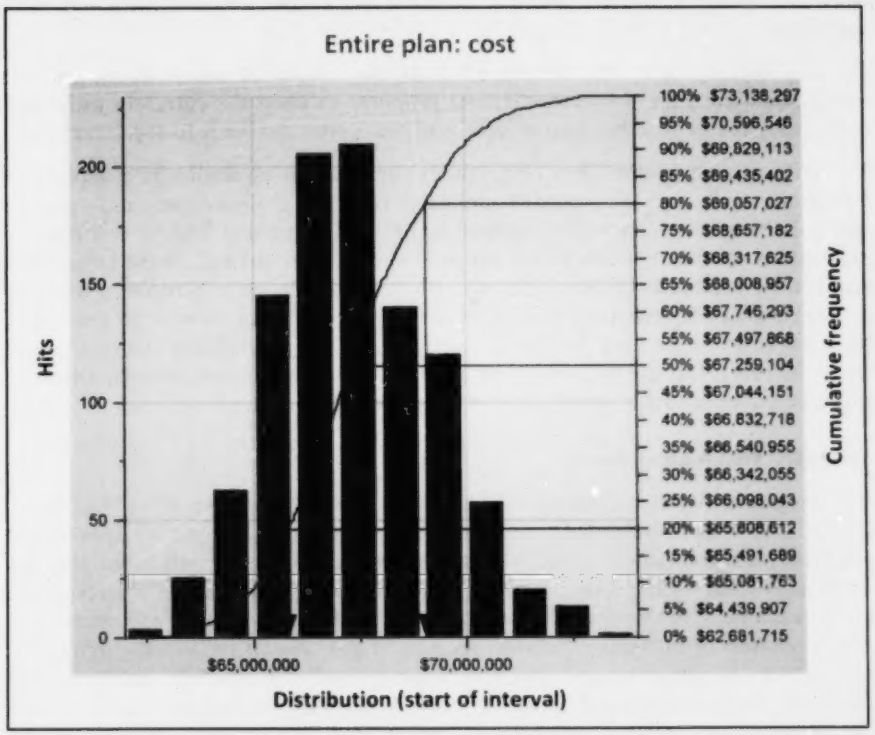
31. In July 2018, a risk workshop was held in Nairobi, facilitated by representatives of the Office of Central Support Services, and attended by the project team, United Nations Office at Nairobi stakeholders and representatives from the independent risk management firm from both its headquarters and Nairobi-based offices. The outcomes/products of the workshop were: the project risk management strategy document, an initial risk register and a quantitative analysis of project risks (Monte Carlo simulation). The independent risk management firm was also to produce two annual reports throughout the project delivery, the first of which was issued in July 2018.

32. The Monte Carlo analysis takes input from the project team, including risk scores — probability and likelihood — of each risk, the most likely range of quantitative effects of each, and simulates approximately 1,000 theoretical versions of the project. The Monte Carlo analysis serves to provide a "snapshot" at the time at which inputs from the project team were provided. The Monte Carlo analysis shows the overall projected effect of known risks on the project, assuming that no further mitigating actions are taken.

33. For the Secretariat's capital construction projects, the P80 confidence-level benchmark has been established as the target for measuring risk for a given project; meaning that the project team would ideally strive to have an 80 per cent confidence level that the project will be completed within budget. A summary of the first Monte Carlo analysis is shown in the form of a cost histogram in figure I.

Figure I

Cost histogram of analysed risks of the project to replace office blocks A–J at the United Nations Office at Nairobi, as at July 2018



34. The Monte Carlo simulation results shown in the cost histogram in figure I indicate that there is a 27 per cent level of confidence that the project will be completed within the estimated budget of $66.26 million. At the present stage of project development, the Secretariat considers the current confidence level to be acceptable. As the project continues in the planning and design phase, it is fully expected that the confidence level will go up, ideally and eventually to meet the Organization's desired P80 confidence level.

35. Given that the overall project scope and implementation strategy has not yet been approved by the General Assembly and that the project is currently in the planning phase, most of the risks given high priority during the reporting period relate to planning and (looking ahead to the next project phase, if approved) design risks. In particular, many risks relate to the need for timely and accurate client requirement specifications to be issued by key stakeholders.

Contingency and escalation

36. The first Monte Carlo risk analysis shows that the current "straight line" contingency funding of approximately 10 per cent applied to construction costs, professional services costs and escalation is not enough to cover the potential costs

of known potential risks to a P80 confidence level, the target of the Organization for global capital projects. This is to be expected at the present early planning stage of the project, in line with industry norms. This is especially relevant for this project, given that the maximum overall cost and implementation strategy of the project have not yet been approved by the General Assembly, and that the design phase of the project has not yet begun. It is not yet possible to accurately quantify most project risks to the degree that available contingency funding should be pegged to the Monte Carlo analysis, given that the vast majority of construction risks are time-dependent. For example, the total project cost escalation as compared with the base year of the cost estimate cannot be quantified if it is not yet known when construction will commence.

37. Accordingly, and also on the basis of the advice of the independent risk management firm, the Secretary-General proposes to keep the currently estimated contingency levels at 10 per cent at least until the project design is further developed.

38. With respect to the 7 per cent annual construction escalation rate applied to construction costs over the proposed applicable five-year project duration, the project team solicited the advice of the independent risk management firm to confirm the assumptions previously made by the project team. The consultant, on the basis of its local knowledge and expertise gained by virtue of being based in Nairobi, confirmed that the rate used is consistent with local industry norms and recommended that that figure continue to be used for the project. Should any significant changes in the market be identified, the rate would be adjusted in future progress reports, although at the present time such changes are not foreseen.

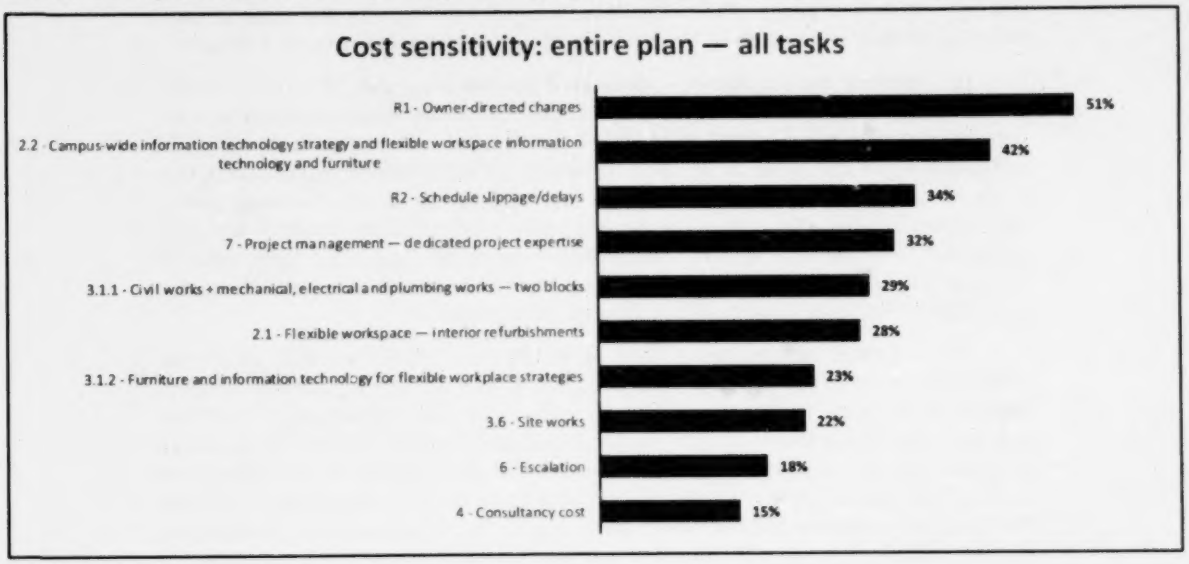
Integrated risk management

39. Integrated risk management will be performed at a local level by the United Nations Office at Nairobi dedicated project management team and its specialized consultants and contractors. Once on board, the Project Manager will coordinate the efforts to be made by all parties involved, in particular the team members, consultants and contractors. Risk owners will be assigned for each risk to monitor and control the implementation of mitigation actions. As part of the regular monitoring activities, such as regular site meetings, the risk situation will be carefully analysed and discussed. The team will hold a specific monthly session to update the register. Risks will be discussed in all meetings with senior management and advisers and be included in all reports. In the meantime, these efforts are being performed through the individuals assigned to the project.

Risk register

40. The project team has developed a risk register in line with the developed project-specific risk management strategy. All risks are given scores, are assigned a risk owner and proposed response(s) are identified. Risks are continuously monitored by the project team to ensure the success of planned mitigation measures and to keep risks under control. In accordance with the risk management strategy, emphasis is placed on the "top 10" risks, to enhance their potential opportunities and mitigate their potential threats to the project objectives and constraints. A summary of the 10 risks with the potentially highest individual cost impact is shown in figure II.

Figure II
Cost sensitivity ("tornado") chart, listing the 10 project risks with the highest cost impact, July 2018


Cost sensitivity: entire plan — all tasks
R1 - Owner-directed changes
51%
2.2 - Campus-wide information technology strategy and flexible workspace information technology and furniture
42%
R2 - Schedule slippage/delays
34%
7 - Project management — dedicated project expertise
32%
3.1.1 - Civil works + mechanical, electrical and plumbing works — two blocks
29%
2.1 - Flexible workspace — interior refurbishments
28%
3.1.2 - Furniture and information technology for flexible workplace strategies
23%
3.6 - Site works
22%
6 - Escalation
18%
4 - Consultancy cost
15%

41. The cost sensitivity chart in figure II shows the correlation or relationship between individual risk entries and the overall estimate at completion amount. The higher the cost sensitivity, the stronger the relationship between the estimate at completion and the individual risk.

Description of the top five project risks and risk mitigation actions

(a) **Owner-directed changes**. Potential for lack of clarity on project scope, especially as it relates to security and information technology-related matters. The risk has three interrelated dimensions: (i) the need to determine clearly the project requirements in line with the project scope; (ii) the need to determine the project boundaries and define which items may be more accurately defined as campus-wide issues and as outside of the project scope (e.g., perimeter vehicular and pedestrian access control physically beyond/outside the project site); and (iii) the need to determine what, if any, changes foreseen in global security and information technology policies may affect the project. The risk will be mitigated by obtaining stakeholder approvals prior to the issuance of contract design documents in order to limit requests for changes at a later time.

(b) **Campus-wide information technology strategy, flexible workspace information technology and furniture**. The United Nations Office at Nairobi houses a large number of tenants from specialized agencies, funds and programmes who have come into the compound gradually and intermittently over time. Currently no campus-wide information technology strategy is applied that governs both Secretariat and non-Secretariat entities. The same risk applies to both campus-wide infrastructure and individual equipment. This risk is considered time-sensitive, because the early works include the design of a new data centre. The risk will be mitigated by obtaining stakeholder/tenant confirmation through the development of a common campus-wide strategy and to seek buy-in from tenants early in the design process.

(c) **Schedule slippage/delays**. Given the total size/number of existing office floors affected by the project, including both the demolition of the existing blocks A–J and the renovation of the remaining office blocks throughout the campus, the total

number of staff moves — some "double" moves in and out of swing space and some single moves directly from existing to permanent locations — presents a significant risk for schedule slippage. The risk will be mitigated by limiting the scope of each move to a manageable size and by exercising tight control over the move schedule.

(d) **Project management — dedicated project expertise**. This risk relates to the lack of specialized technical input within the dedicated project management team with respect to matters related to physical security and information technology. In addition to a risk identified by the United Nations Office at Nairobi stakeholders, this is also a recent lesson learned from other capital projects, in which change orders have emerged after the project briefs were completed, entailing changes and new requirements related to security and information technology. The team aims to mitigate this risk by augmenting the project management resources with specialist consultants, similar to what has been done in other projects.

(e) **Change management**. The new layout of facilities will entail the implementation of flexible workplace strategies. Given the new layout and complex logistics, change management will be critical to the success of the project and is a risk that requires close oversight. In order to mitigate this risk, the project team has solicited technical support from the Headquarters flexible workplace strategies team in New York, and has front-loaded the dedicated space planner resource to administer the change management process. At this early stage in the planning process, and because the risk is difficult to quantify, this risk is being treated as a qualitative risk only.

V. Progress made on the project during the reporting period

A. Cooperation with Member States and the host country

42. As detailed in the previous report of the Secretary-General, the Government of Kenya made a significant donation of 140 acres of land in the mid-1970s, and, subsequently, Member States have made substantial investments in buildings, security and other infrastructure at the Gigiri complex. In addition, the Government of Kenya has made a significant investment in the Gigiri area, including major road upgrades, introducing traffic light technology and slip lanes to reduce congestion and cycle/pedestrian lanes to improve safety, in support of all United Nations entities. In its resolution 44/211, the General Assembly called upon all organizations of the United Nations system, inter alia, to make the necessary arrangements for the implementation of the United Nations common house concept for establishing common premises at the country level. The United Nations Office at Nairobi has been working in line with this concept since early 2000, and the most recent construction project of the new office facilities (completed in 2010) further established the Gigiri common premises.

43. The host country has provided for significant support arrangements for the United Nations operations in Kenya and specifically for the United Nations Gigiri offices. In addition to the generous donations of land by the Government of Kenya outlined above, a host country agreement was established in March 1975, providing for privileges and immunities, including duty exemption for contracts and material importations for entitled staff, but also for official purposes such as construction materials, equipment and infrastructure. This support by the host country would be extended to any construction project, leading to reduced overall cost and expedited importation arrangements through the established host country liaison arrangements.

B. Procurement activities

44. Planned procurement activities for 2018 included the tender for specialized architectural consultancy services for office space design, space planning and change management services related to the implementation of flexible workplace strategies in 2019. In addition, given the refined proposal to repurpose the publishing services building, consultancy services needed to be procured for both costing and design for these early works.

45. An expression of interest was launched for flexible workplace strategies in June 2018, and an expression of interest is being prepared and launched for the early work of repurposing the publishing building in August 2018. The preparation of tender documentation for architectural design services for the repurposing of the publishing building is under way, and will be completed during the third quarter of 2018, with the tender for these services scheduled for the fourth quarter of 2018.

46. Direct guidance and technical assistance was provided by the Office of Central Support Services, based on the flexible workplace strategies implemented in the Secretariat Building in New York, taking into account all lessons learned and experience gained from the Secretariat flexible workplace project, with specific focus on design layouts, furniture and information technology. Based on this, the United Nations Office at Nairobi team has been able to fast-track the preparation of the tender documentation for the flexible workspace design.

47. A tender for quantity surveying services was issued in May 2018 and a quantity surveying consultant contracted in July 2018 to work on all costing associated with the refined proposal included in the present report, including the repurposing of the publishing services building and the rescheduling of the project as a result of this refinement, including the elimination of temporary swing space, thereby avoiding abortive work, and accelerating the construction, which reduces the cost of escalation. In addition, given the specialized nature of the security and information technology requirements (a security control room and an information technology data centre), temporary specialist consultancy services focused on both security and information technology design requirements will be contracted during 2018.

C. Planning and design activities

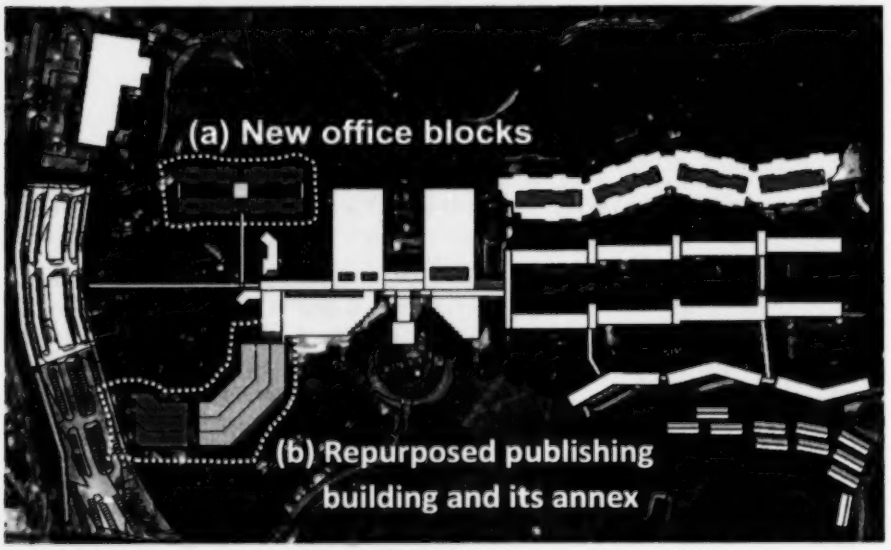
48. Recruitment is well advanced for the two positions approved by the General Assembly for 2018, namely, one Space Planner/Coordinator (P-4) and one Architect/Engineer (P-3). The job opening for the Space Planner/Coordinator position was launched on 4 April 2018, with a closing date of 3 May 2018. Applications were reviewed and assessed in June 2018 and interviews were conducted; onboarding is forecast for September 2018. The job opening for the Architect/Engineer position was launched on 28 March 2018, with a closing date of 26 April 2018. Assessment of applicants is ongoing, and final interviews are expected to be concluded by early August 2018 for submission to the central review body.

49. Recruitment of an architectural consultant commenced in June 2018, and the consultant was hired on 10 July 2018, initially for a three-month period. Recruitment of specialist information technology and security consultants is in progress and is expected to be completed by the end of September 2018.

D. Refined implementation strategy

50. As outlined in paragraph 19, following a request by the General Assembly to refine the proposal, the United Nations Office at Nairobi has initiated preparatory activities for early works on repurposing of the existing publishing services building, including the reuse of printing space as office space, and construction of an additional mezzanine floor to be used as additional office space. An illustration of the refined implementation strategy, which foregoes temporary swing space, is shown in figure III.

Figure III
Partial site plan, showing the refined implementation strategy



Note:
(a) The proposed new office blocks on the current location of office blocks A–J;
(b) The current publishing services building, which will be repurposed as a service building and office space and the location of an additional annex to be built next to the current publishing building, also to be used as new service building space.

51. The current printing building is approximately 2,500 m^2 and includes office space for the Publishing Services team, production floor space for printing and production equipment and large warehouse and storage facilities for printing materials. Parts of this building are currently underutilized for the following reasons. Firstly, large storage facilities are no longer required following improvements over the last few years in material service contracts and the reduced delivery time for high bulk printing supplies such as paper and inks. Secondly, several large pieces of printing equipment will be disposed of in the coming 12 months, releasing areas of the production floor space. Thirdly, the demand for printed documents from United Nations Office at Nairobi clients has followed the industry trend in recent years, and reduced print runs and print on demand for parliamentary documentation and publications are now the norm. Conventional process-intensive printing is not adapted to the flexibility required by these clients nor is it cost-effective. The Office's Publishing Services Section is aiming to align itself with the technological shift towards digital printing to satisfy current and future demand in the most cost-efficient way.

52. A combination of the above factors means that the United Nations Office at Nairobi would be able to repurpose the publishing services building to better

accommodate a digitally upgraded publishing facility, which would require a much smaller footprint. At least half of the building could be repurposed and converted to other service uses and as additional office space. Given the design features of the existing publishing building, with a double-height ceiling, it is also feasible to construct a lightweight steel-structured mezzanine to further expand the available office space. With the addition of a small annex to this building, it is estimated that up to 5,000 m^2 of office space and service areas could be made available for use during the project.

53. A structural assessment of the building has been conducted to confirm that the above refined proposal would be feasible. In addition, an initial design and costing has been conducted, based on the refurbishment works that would be required in order to convert the existing publishing services building.

54. This refined proposal could therefore be considered as a viable alternative to the construction of a new service building as proposed in the previous report of the Secretary-General. It would be able to house the data centre, security control room, catering, medical, contractors, security locker rooms, drivers' lounge and logistics facilities. The refined proposal would eliminate the need for a new service building and the construction of temporary swing space, which is required to temporarily accommodate tenants as all remaining office blocks (M–X and new office facilities) are renovated and converted to flexible working arrangements. In addition, swing space is also required to accommodate the current tenants of office blocks A–J once the existing blocks are demolished and the new office building is being constructed. The swing space requirement could also be accommodated through the refined proposal without the need to construct any additional temporary swing space facilities.

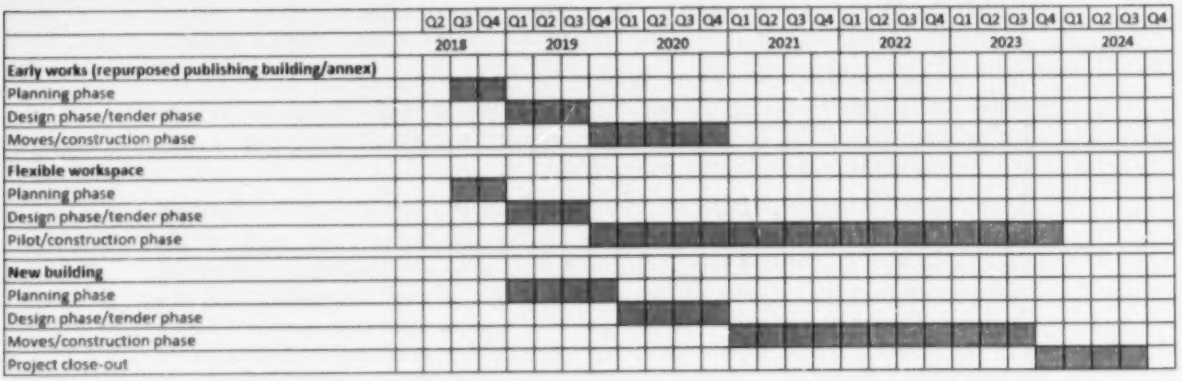
55. The advantage of the refined proposal would be an overall saving to the project through the avoidance of temporary work (that would offer no benefit to the Organization beyond the life of the project), the acceleration of construction works and the roll-out of flexible workspace strategies to existing office space, which would reduce the cost of escalation for the project. The baseline year for calculation of the escalation costs in the refined proposal is now 2018.

E. Project schedule updates

56. A detailed schedule for the refined proposal is shown in figure IV. The proposed early works on the repurposed publishing building would be designed in detail during 2019, following the hiring of an architectural design consultant in early 2019. Construction on this phase of the project would start in the fourth quarter of 2019 and would be completed by the fourth quarter of 2020. The works could be done in phases, one floor at a time, allowing for at least half the space to be used as swing space from as early as the fourth quarter of 2019 (existing tenants would need to be moved to this temporary swing space to allow for the flexible workspace renovations to proceed), to support the conversion of existing office space (office blocks M–X and new office facilities) to flexible workspace arrangements. A total of 56 existing office floors need to be renovated, so this work is scheduled to start in the fourth quarter of 2019, with a pilot project, and to be completed by the end of 2023. Once the construction works on the repurposed publishing building are completed in the fourth quarter of 2020, swing space will be available to accommodate half the tenants of office blocks A–J (specifically, those in office blocks B, C, E and J), which would need to be demolished by early 2021 to allow construction of the new building to commence at the same location. Construction of the new building is scheduled to start in the third quarter of 2021 and to be completed by the fourth quarter of 2022 (total contract schedule of 18 months). In 2023, the remaining office blocks A–J (namely, A, D, F, G, H and I) would also be demolished, and all remaining tenants moved into the newly

constructed office building. Finally, in 2023, supporting infrastructure (e.g., parking and roads) would be built and project close-out activities would be scheduled.

Figure IV
Project schedule



F. Potential use of rental income to reduce Member State assessment for project financing

57. The policy currently in place concerning rental charges is based on General Assembly resolution 41/213, by which the Assembly mandated the Secretary-General to implement the recommendations of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, including recommendation 36 on rental charges, contained in the Group's report (A/41/49). Consistent with that policy, the rental charges for space occupied by tenants at the United Nations premises are based on current commercial rates. The United Nations Office at Nairobi conducts regular rental studies in Nairobi to confirm current commercial rental rates, and its rental rates are charged consistently in line with the result of the studies. The most recent study was conducted in 2017, when a rate of $185 per square metre per annum was determined, starting in 2018.

58. The current project proposal would not lead to a significant increase in overall net rentable areas, as the new proposed building is similar in size to the existing space being replaced in office blocks A–J. The current rental billings amount to about $5.5 million per year. If a nominal annual rental inflation rate of 2 per cent is assumed between 2019–2023, then annual rental incomes would be just over $6 million by 2024, when all available space would be rentable.

59. The above does not yet fully take into account potential changes in rental practices given the implementation of flexible workplace strategies, as the ultimate solution for flexible workplace strategies and the space configuration is not yet known. In addition, it should be noted that the Office of Central Support Services is currently leading a working group on global rental practices, with a view to ensuring consistent policies and practice, taking into account not only the impact of the implementation of flexible workplace strategies but also relevant guidance from the General Assembly and other global policies and practices.

60. Any updates to the local policy of the United Nations Office at Nairobi emanating from the outcomes of this working group and on the further development of flexible workplace strategies, which may affect the overall rental income that could be applied to reduce Member State's assessment for the project, would be included in future progress reports of the Secretary-General on the project.

VI. Project expenditures and anticipated costs

A. Status of expenditure and projected expenditures for 2018

61. The General Assembly appropriated an amount of $503,400 to initiate the project in 2018. The funding comprises (a) $165,400 under section 29H, United Nations Office at Nairobi, for two temporary project positions (one P-4 Space Planner/Coordinator and one P-3 Structural/Civil Engineer); and (b) $338,000 under section 33, Construction, alteration, improvement and major maintenance, to proceed with the design works and independent risk management services.

62. The status of expenditure as at 30 June 2018 and the projected expenditure until end of the year are provided in table 1.

Table 1
Status of expenditures as at 30 June 2018 and projection for the remainder of 2018
(Thousands of United States dollars)

	Appropriated project funding for the period 2018	*Expenditure from 1 January to 30 June 2018*	*Projected expenditures from 1 July to 31 December 2018*	*Total projected expenditures for 2018*	*Projected unused balance at the end of 2018*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e) = (a)-(d)*
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs	–	–	–	–	–
2. Professional services	316.0	29.6	151.2	180.8	135.2
3. Escalation	22.0	–	–	–	22.0
4. Contingency	–	–	–	–	–
Subtotal, section 33	**338.0**	**29.6**	**151.2**	**180.8**	**157.2**
Section 29H, United Nations Office at Nairobi					
5. Project management	165.4	17.8	146.7	164.5	1.0
Total	**503.4**	**47.4**	**297.9**	**345.3**	**158.1**

63. Funds in the amount of $29,600 under section 33 have been currently utilized as at 30 June 2018 for design services related to the early works and repurposing the publishing building, as well as flexible workspace design. It is projected that another $151,200 would be utilized by the end of 2018 for these services.

64. Given project staff recruitment times, no staffing costs expenditures have been incurred as at 30 June 2018; however, an amount of $17,800 was incurred for travel costs related to the Office of Central Support Services for the provision of technical guidance and advice and for the facilitation of the risk management kick-off workshop in February and July 2018, respectively. It is projected that the remaining amount of $146,700 will be utilized by the end of 2018 for staffing costs, after the project staff come on board.

65. Against the approved funding of $503,400 in 2018, there is projected to be an amount of $158,100 unspent at the end of 2018 owing to the deferral of activities to 2019.

B. Resource requirements for 2019

66. The resource requirements for 2019 are shown in table 2. The total projected expenditure for 2019 amounts to $6,892,200, comprising:

(a) $766,500 under section 29H, United Nations Office at Nairobi, for the project management team. This would provide for the continuation of the two existing project team positions (1 P-4 and 1 P-3), six new project positions (1 P-5, 1 P-3, 2 National Officer and 2 Local level) proposed to be established as of 1 January 2019, and 75 per cent of the cost of one Project Coordinator (P-3) at Headquarters, cost-shared with the North Building renovation project at the Economic Commission for Latin America and the Caribbean (ECLAC) and proposed to be established effective 1 January 2019;

(b) $5,986,600 under section 33, Construction, alteration, improvement and major maintenance, which includes construction costs of $3,415,900 which will cover the early works package to repurpose the publishing services building ($3,172,100) and to complete a flexible workplace pilot project ($243,700). In addition, $1,789,600 would provide for professional services for the design works associated with the repurposing of the publishing services building and the design and tender efforts for the full renovation towards flexible workplace for the existing office blocks M–X and new office facilities and also for independent risk management services provided through the Office of Central Support Services and for other professional services. Additionally, shown separately from the base costs, are the escalation provision of $239,100 and contingency provision of $542,000.

Table 2
Resource requirements in 2019
(Thousands of United States dollars)

	Projected expenditures in 2019	*Projected unused balance at the end of 2018*	*Net funding requirement in 2019*
	(a)	*(b)*	*(c) = (a)-(b)*
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	3 415.9	–	3 415.9
2. Professional services	1 789.6	135.2	1 654.4
3. Escalation	239.1	22.0	217.1
4. Contingency	542.0	–	542.0
Subtotal, section 33	**5 986.6**	**157.2**	**5 829.4**
Section 29H, United Nations Office at Nairobi			
5. Project management	766.5	1.0	765.5
Total	**6 753.1**	**158.1**	**6 595.0**

67. Taking into account the projected unspent balance of $158,100 at the end of 2018, the net funding requirements in 2019 would amount to $6,595,000, comprising: (a) $765,500 under section 29H, United Nations Office at Nairobi; and (b) $5,829,400 under section 33, Construction, alteration, improvement and major maintenance.

VII. Next steps

68. Upon approval by the General Assembly, the following activities would be undertaken in 2019:

(a) Complete the recruitment of the dedicated project management team, including the Project Manager (P-5); one Procurement Officer (P-3); one Project Coordinator (P-3), to be located within the Global Property Management Service in New York and cost-shared with the ECLAC North Building project; one Logistics/Coordination Officer (National Officer); one Project Services/Mechanical-Electric-Plumbing Engineer (National Officer); one Clerk of Works (Local level); and one Administrative Assistant (Local level). Please refer to annex II for detailed descriptions of the roles of these proposed positions;

(b) Continue regular stakeholders' committee meetings; establish a change management and corporate support group; establish an administrative and coordination agreement with the Global Properties Management Service; and make other administrative arrangements;

(c) Following the scheduled award of the contract in late 2018, commence specialized architectural consultancy services for the early works, namely, the renovation of the publishing building;

(d) Following the scheduled award of the contract in late 2018, commence specialized architectural consultancy services for office space design, space planning and change management services related to the implementation of flexible workplace strategies;

(e) Prepare tender documents for architectural consultancy services for the design of the new scalable office building(s);

(f) Commence construction of a flexible workplace pilot project;

(g) Continue to refine the overall cost estimate for the project, following the outcomes of the flexible workplace pilot in 2019;

(h) Continue to develop and refine options for additional rental income with the aim of reducing Member State assessment for the project;

(i) Continue independent risk management services, including the preparation of two progress reports each year and an annual Monte Carlo risk analysis;

(j) Coordinate with the host country regarding host country arrangements.

VIII. Recommended actions to be taken by the General Assembly

69. The General Assembly is requested to:

(a) **Approve the proposed scope, maximum overall cost of the project and implementation strategy for the replacement of office blocks A–J at the United Nations Office at Nairobi;**

(b) **Approve the establishment of six positions (1 P-5, 1 P-3, 2 National Officer and 2 Local level) relating to the dedicated project management team and project support staff in Nairobi, and one position (P-3) in New York to provide project coordination, to be based in the Global Property Management Service at Headquarters and cost-shared with the project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean;**

(c) Appropriate an amount of $6,595,000, comprising: (i) $765,500 under section 29H, United Nations Office at Nairobi, and (ii) $5,829,400 under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2018–2019, which would represent a charge against the contingency fund;

(d) Approve the establishment of a multi-year construction-in-progress account for the project.

Annex I

Revised cost plan

(Thousands of United States dollars)

	2018	2019	2020	2021	2022	2023	2024	Total
Section 33, Construction, alteration, improvement and major maintenance								
1. Construction costs								
1.1 Early works/repurposed publishing building	–	3 172.1	7 359.2	–	–	–	–	10 531.3
1.2 Flexible workspace	–	243.7	1 580.2	1 546.5	3 326.7	4 591.4	–	11 288.4
1.3 New office building	–	–	–	9 970.3	6 727.5	1 382.6	–	18 080.3
2. Professional services								
2.1 Early works/repurposed publishing building design works	47.3	884.6	331.8	–	–	–	–	1 263.8
2.2 Flexible workspace design works	56.1	880.5	88.0	88.0	119.2	122.7	–	1 354.6
2.3 New office building design works	–	–	1 265.6	162.7	217.0	162.7	–	1 808.0
2.4 Risk management	36.4	14.5	12.7	14.5	14.5	10.3	–	102.9
2.5 Other services	41.0	10.0	10.0	–	–	–	–	61.0
3. Escalation	–	239.1	1 295.3	2 591.8	3 124.8	2 404.8	–	9 655.8
4. Contingency	–	542.0	1 192.0	1 435.9	1 351.5	866.4	–	5 387.9
Subtotal, section 33	**180.8**	**5 986.6**	**13 134.9**	**15 809.7**	**14 881.1**	**9 540.9**	**–**	**59 534.0**
Section 29H, United Nations Office at Nairobi								
5. Project management								
5.1 Dedicated project management and support	146.7	682.4	1 058.6	1 083.0	1 108.3	949.6	332.5	5 361.0
5.2 Dedicated coordinator at Headquarters (75 per cent of costs)	–	64.1	113.3	113.3	113.3	–	–	404.0
5.3 Travel of project management team	17.8	20.0	15.0	15.0	10.0	10.0	–	87.8
Subtotal, section 29H	**164.5**	**766.5**	**1 186.9**	**1 211.3**	**1 231.6**	**959.6**	**332.5**	**5 852.8**
Section 34, Safety and security								
6. Security requirements		–	225.1	234.5	244.2	169.5	–	873.3
Subtotal, section 34	**–**	**–**	**225.1**	**234.5**	**244.2**	**169.5**	**–**	**873.3**
Total	**345.3**	**6 753.1**	**14 546.9**	**17 255.4**	**16 356.9**	**10 670.0**	**332.5**	**66 260.1**

Annex II

Roles of the project positions proposed to be established effective 1 January 2019

Dedicated project management team

Project Manager (P-5): The incumbent has overall responsibility for the successful initiation, planning, design, execution, monitoring, control and closure of the project. The Project Manager will oversee the whole project and be the key person responsible for managing the day-to-day aspects of the project in accordance with the applicable standards. The responsibilities of the Project Manager include: planning and defining scopes; activity planning and sequencing; resource planning; developing schedules; managing risks and issues; cost control; risk analysis; documentation; monitoring and reporting on progress; team leadership; ensuring liaison between affected parties; and quality assurance and control. The Project Manager would have overall technical and administrative responsibility and accountability, reporting to the project executive, the Director of the Division of Administration of the United Nations Office at Nairobi and the Chief, Central Support Services of the United Nations Office at Nairobi. The incumbent would prepare project reports, recommend solutions to unusual project problems and provide expert technical advice on overall policies, procedures and guidelines pertinent to the project. The incumbent will also be responsible for ensuring ongoing dialogue and coordination with the facilities management sections with regard to materials, equipment selection and construction methods to ensure ease of operation and maintenance of the completed works.

Project Services/Mechanical-Electrical-Plumbing Engineer (National Officer): Reporting to the Project Manager, the incumbent is responsible for all technical issues with regard to the mechanical, electrical and plumbing and public health engineering aspects of the overall project, including communication lines, telephones and information and communications technology networks; energy supply, including electricity and renewable sources; escalators and lifts; fire detection and protection; heating, ventilation and air conditioning; lightning protection; low-voltage systems, distribution boards and switchgear; natural lighting and artificial lighting; security and alarm systems; and water, drainage and plumbing. The officer will be responsible for monitoring, analysing and responding to the construction contractors' reports once on board and will assist in monitoring and evaluating change-order proposals as pertaining to mechanical and electrical components of the project.

Logistics and Coordination Officer (National Officer): The incumbent is responsible for planning, oversight and management of the temporary on-site swing space accommodation and movement of United Nations staff, tenants and service providers to such facilities in line with the project schedule. The officer will be tasked with ensuring that disruptions caused by the overall project have a minimal effect on the organization's outputs and as such will be tasked with coordination of the information and communications technology services, including relocation to swing space and return to the new flexible workplace environments. As part of the construction work, the officer will also be expected to coordinate with relevant parties to ensure timely import, receipt and inspection of all equipment, goods and materials for incorporation into the works.

Clerk of Works (Local level): The incumbent is responsible for direct monitoring of the various contractors, construction sites and surroundings, inspection of all materials incorporated into the project for quality, adherence to the specifications and compliance with appropriate building regulations, monitoring of the inspection of the workmanship and practices of contractors and crews engaged in the construction, including safety at the construction sites insofar as execution of the construction work

is concerned, and monitoring of progress of work, including construction work schedules, to check that progress is maintained. The officer will also be responsible for the drafting of punch lists and will assist the Project Manager with ongoing monitoring and bringing the project to a close, which may include project reports and evaluation documents.

Project Administrative Assistant (Local level): The incumbent will report directly to the Project Manager and will be primarily responsible for preparing analysis and business reports as they apply to administrative budgetary finance requirements in compliance with the Financial Regulations and Rules of the United Nations, International Public Sector Accounting Standards (IPSAS) and Umoja requirements. Additionally, the incumbent will perform a range of essential tasks in the project office, including documentation control; drafting correspondence and reports; distributing meeting agendas and recording meetings; responding to enquiries from project stakeholders; assisting the project team in other administrative tasks as needed; and undertaking other duties such as account reporting, account monitoring control and general administrative functions.

Dedicated project support

Procurement Officer (P-3): Reporting to the Chief, Procurement Section, as part of change management and corporate support group and with indirect reporting to the Project Manager, the incumbent will be responsible for coordination, management and oversight of several large-scale international procurement actions required to address all the components of the project. The incumbent will be responsible for the oversight, preparation, and finalization of all these tenders and contractual documents, contracts administration, background research and vetting process of the general contractor and numerous subcontractors and communication with legal teams both at the United Nations Office at Nairobi and at Headquarters. It is proposed that the Procurement Officer be recruited in 2019, in parallel with the additional dedicated project team members, and will be essential in forwarding all the procurement actions required for the success of the renovation, including contract management, through construction.

Project Coordinator (P-3): In order to provide the level of oversight responsibility assigned to the Office of Central Support Services by the General Assembly in its resolution 72/262 A, including the provision of independent risk management services, it is proposed that a Project Coordinator (P-3) be established from 1 January 2019 until 31 December 2022, to be cost-shared with the proposed project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago. This position would be based in the Global Property Management Service in the Office of Central Support Services at Headquarters. The incumbent of this position would provide day-to-day oversight, guidance and technical support to the United Nations Office at Nairobi project manager (and the ECLAC project manager as well), under the guidance of the Chief, Global Property Management Services. Emphasis would be placed on contract management of the independent management firm, which would report directly to the Global Property Management Service in order to ensure its independent and external role, complementing the work of the dedicated project management team and facilitating the team's risk identification and assessment activities, including the development of mitigation strategies. It is proposed that the project for the replacement of office blocks A–J will contribute 75 per cent of the cost of this position, while the other 25 per cent of cost will be funded from the proposed project for the renovation of the North Building at ECLAC, given the magnitude of work and value of construction involved in both projects.